



THE WORLD BANK

BASIC HEALTH CARE PROVISION FUND PROJECT - HUWE
(FEDERAL MINISTRY OF HEALTH)

FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31ST DECEMBER, 2019

AUDITED BY



OFFICE OF THE AUDITOR-GENERAL FOR THE FEDERATION
Plot 273, Samuel Ademulegun Street,
Central Business District,
Abuja

**BASIC HEALTH CARE PROVISION FUND (BHCPF)-HUWE
FEDERAL MINISTRY OF HEALTH**

**FINANCIAL STATEMENT FOR THE PERIOD
ENDED 31ST DECEMBER, 2019.**

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BASIC HEALTH CARE PROVISION FUND(BHCPF)-HUWE

FEDERAL MINISTRY OF HEALTH

CORPORATE INFORMATION

KEY OFFICERS OF THE PROGRAMME/PROJECT

Secretary to NSC
Technical Director
Project Accountant
Finance Officer
Internal Auditor
Procurement Officer

Dr. Emmanuel C. Meribole
Dr. Filani Oyebanji
Mr. Dako Abeje Joshua
Mrs. Alao Funmilayo K.
Mrs. Muobuike. Francisca N
Mrs. Abimbola Olushola

OFFICE ADDRESS:

Plot 512, Mohammed Isma Street,
Asokoro District,
Abuja, FCT

BANKER:

Central Bank of Nigeria (CBN)

AUDITORS:

Office of the Auditor-General for the Federation,
Plot 273, Ademulegun Street,
Central Business District,
Abuja.

**BASIC HEALTH CARE PROVISION FUND(BHCPF)-HUWE
FEDERAL MINISTRY OF HEALTH**

EXECUTIVE SUMMARY OF THE PROJECT

PURPOSE:

• **Basic Healthcare Provision Fund (BHCPF) foundly called Huwe** is a statutory federal programme, established by the National Health Act of 2014 and designed to guarantee all Nigerians a Basic Minimum Package of Health Services (BMPHS) which is not as robust as the National Health Insurance Scheme (NHIS) package. The BHCPF is primarily dedicated to frontline services and will fund 57 essential interventions covering sixty (60) percent of the disease burden. These include interventions for family planning, antenatal care, delivery, postnatal care, immunization, child health, malaria, screening for Non-Communicable Diseases (NCDs), and Emergency Services such as road accident injuries. The BHCPF is a non-contributory, predominantly tax-financed programme and is envisaged to complement the NHI, by ensuring that every Nigerian, particularly the poor and most vulnerable populations, are guaranteed a set of basic, cost-effective services that are not as comprehensive as the NHIS package. It therefore, offers a funding vehicle to rapidly expand coverage to the poor and vulnerable, as well as the informal sector and near poor from whom it is typically difficult to collect premiums. The programme implementation would be done by Federal Ministry of Health through its agencies to be known as gateways. These three gateways are: -

- National Health Insurance Scheme (NHIS).
- National Primary Healthcare Development Agency (NPHCDA).
- Emergency Medical Treatment (EMT) which comprises the Nigeria Centre For Disease Control (NCDC) and Department of Health Services (DHS) under the Federal Ministry of Health.

BASIC HEALTH CARE PROVISION FUND(BHCPF)
FEDERAL MINISTRY OF HEALTH

PROJECT COST:

The total project cost, as it stands today is at least I% of FGN CRF (55.1 Billion), Twenty million US dollars from the World Bank (WB) and Two Million US dollars from Bill and Melinda Gates Foundation (BMGF).

The Project Development Objectives (PDO): It is to establish accreditation, verification and payment mechanisms for the operationalization of the HUWE programme in selected States. Specifically, the BHCPF project targets rural areas only, thus prioritizing increased access to essential reproductive, maternal, newborn, children and adolescent health services in these areas. The focus is mostly to provide the basic Minimum package of Healthcare Services (BMPHS) to the Poor/ under -served especially women & children under Five.

The target areas are the 36 states and the FCT.

NATIONAL STEERING COMMITTEE (NSC):

The Supervisory and coordinating function by the Federal Ministry of Health is carried out through the National Steering Committee (NSC). In other to coordinate the day to day functions of the NSC, and enable it performs effectively and efficiently, the NSC is supported by a secretariat with personnel drawn from both the Public and Private Sectors which includes a 3-man Financial Management (FM) Team posted from the Federal Project Financial Management Department under the Office of the Accountant General of the Federation.

BASIC HEALTH CARE PROVISION FUND(BHCPF)

FEDERAL MINISTRY OF HEALTH

STATEMENT OF NATIONAL STEERING COMMITTEE'S

RESPONSIBILITY ON THE FINANCIAL STATEMENT.

The National Steering Committee of Basic Health Care Provision Fund (BHCPF) is required to prepare the financial statements which give a true and fair view of the project as at the end of the 2019 financial year. The financial statements must be prepared on a going concern basis unless it is inappropriate to presume that the project will continue in business.

The National Steering Committee members have the responsibility for ensuring that the project keeps accounting records which disclose with reasonable accuracy, the financial position of the project and which enables them to ensure that the financial statements comply with requirements of the Financial Management Arrangements.

The members also have a general responsibility of taking such steps as reasonably open to them to safeguard the assets of the project and to prevent and detect fraud and other irregularities. Members of the NSC consider that, in preparing the financial statements on pages 7-10, they have all appropriate accounting policies, consistently applied and supported by reasonable and prudent statements and estimates, and that all applicable accounting standards have been followed.



Name:

Dr. Emmanuel C. Meribole

(Secretary to NSC)

Date: 7/12/20



Name:

Mr. Dako Abeje Joshua, FCA

(Project Accountant)

Date: 07-12-20



THE AUDITOR-GENERAL FOR THE FEDERATION

Audit House, Plot 273, Samuel Ademulegun Street, Central Business District,
P.M.B. 128, Garki-Abuja, Nigeria.

The Project Coordinator,
Basic Healthcare Provisions Fund Project,
Federal Ministry of Health,
Abuja.

AUDIT OF THE BASIC HEALTH CARE PROVISIONS FUND PROJECT PERFORMED BY THE AUDITOR-GENERAL FOR THE FEDERATION

AUDITOR'S REPORT

Opinion

I have audited the financial statements of Basic Healthcare Provisions Fund Project for the year ended 31st December, 2019. These financial statements comprise the *Statement of Financial Position, Statement of Financial Performance, Cashflow Statement and Statement of Net Assets/Equity* for the year then ended, and a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at 31st December, 2019, and of its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards (IPSAS).

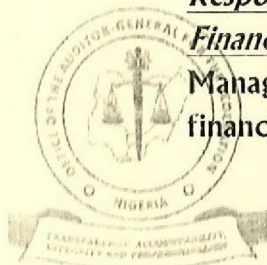
Basis for Opinion

I conducted the audit in accordance with International Standards for Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* Section of my report. I am independent of the entity in accordance with the Code of Ethics for Supreme Audit Institutions together with the ethical requirements that are relevant to my audit of the financial statements and I have fulfilled my other ethical responsibilities in accordance with these requirements and the Code of Ethics.

I believe that the audit evidences obtained are sufficient and appropriate to provide a basis for my opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with IPSAS, and for such internal control as



management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the project or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the entity's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with (ISSAIs), will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Financial Audit Methodology (FAM), which is consistent with the Fundamental Auditing Principles (ISSAIs 100-999) of the International Standards for Supreme Audit Institutions, I exercise professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence, obtained, whether a

material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be brought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or, when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.




Adolphus A. Aghughu, FCNA
Director of Audit Overseeing

December.....16.....2020

**BASIC HEALTH CARE PROVISION FUND(BHCPF)
FEDERAL MINISTRY OF HEALTH**

**STATEMENT OF FINANCIAL POSITION
AS AT 31ST DECEMBER, 2019**

ASSETS:	NOTES	2019
CURRENT ASSETS:		N
Cash and Cash Equivalents	1	13,188,875,649.00
Prepayment	2	56,304,000.00
Receivables	3	<u>150,000.00</u>
Total Current Assets		<u>13,245,329,649.00</u>
 NON-CURRENT ASSETS:		
Property, Plant & Equipment		_____ -
Total Non-Current Assets		_____ -
Total Assets		<u>13,245,329,649.00</u>
 LIABILITIES:		
Current Liabilities:		_____ -
Total Current Liabilities		_____ -
 EQUITY/FUND:		
Surplus for the year	4	13,245,329,649.00
Total Liability/Equity and Fund		<u>13,245,329,649.00</u>

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Name:
 Dr. Emmanuel C. Meribole
 (Secretary to NSC)

Date: 7/12/20

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Name:
 Mr. Dako Abeje Joshua, FCA
 (Project Accountant)

Date: 07.12.20

**BASIC HEALTH CARE PROVISION FUND(BHCPF)
FEDERAL MINISTRY OF HEALTH**

**STATEMENT OF FINANCIAL PERFORMANCE
AS AT 31ST DECEMBER, 2019**

DETAILS:	NOTE	2019
REVENUE:		N
Other Receipts	5	<u>28,574,496,750.00</u>
Total Revenue -(A)		<u>28,574,496,750.00</u>
<u>Operational Expenditures:</u>	6	
Local Travel & Transport-Training		1,628,320.00
Local Training		450,000.00
Office Rent		7,038,000.00
Publicity & Advertisement on States Roll-out		<u>48,168,510.00</u>
Total Operational Expenditures-(B)		<u>57,284,830.00</u>
<u>Transfers to Gateways:</u>	7	
Total transfers to gateways		<u>15,264,835,526.00</u>
Total Transfers-(C).		<u>15,264,835,526.00</u>
<u>Finance Cost:</u>	8	
Bank Charges- (D)		8,745.00
Total Finance Charges		<u>8,745.00</u>
<u>Statutory Deductions and remittance to FIRS:</u>		
Value Added Tax (VAT)		3,519,000.00
Withholding Tax (WHT)		<u>3,519,000.00</u>
Total – (E).		<u>7,038,000.00</u>
Surplus from Operations for the year (A-B+C+D+E)		<u>13,245,329,649.00</u>

**BASIC HEALTH CARE PROVISION FUND(BHCPF)
FEDERAL MINISTRY OF HEALTH**

**STATEMENT OF CHANGES IN NET ASSET/EQUITY
AS AT 31ST DECEMBER, 2019**

DETAILS:	Surplus for the year	TOTAL NET ASSET/FUND
<u>Changes in 2019:</u>	N	N
Balance as at 1/1/2019		
Surplus for the year	<u>13,245,329,649.00</u>	<u>13,245,329,649.00</u>
	<u>13,245,329,649.00</u>	<u>13,245,329,649.00</u>

BASIC HEALTH CARE PROVISION FUND(BHCPF)

FEDERAL MINISTRY OF HEALTH

STATEMENT OF CASHFLOW

FOR THE YEAR ENDED 31ST DECEMBER, 2019

2019

DETAILS:

N

CASHFLOW FROM OPERATING

ACTIVITIES:

INFLOW:

Other receipts

28,574,496,750.00

Total Inflow

28,574,496,750.00

OUTFLOW:

Local Travel & Transport-Training

(1,628,320.00)

Local Training

(450,000.00)

Office Rent

(7,038,000.00)

Publicity & Advertisement on States Roll-out

(48,168,510.00)

Transfers to gateways

(15,264,835,526.00)

Finance Charges

(8,745.00)

Value Added Tax (VAT)

(3,519,000.00)

Withholding Tax (WHT)

(3,519,000.00)

Total Outflow from Operation

(15,329,167,101.00)

Net Cashflow/Outflow from operating

Activities-(A)

13,245,329,649.00

Cashflow from Investing Activities:

Acquisition of Assets

_____ -

Net Cashflow from Investing Activities-(B)

-

Changes in Current Assets/Liabilities:

(Increase) in Prepayment

(56,304,000.00)

(Increase) in Receivables

(150,000.00)

Net Cash outflow from Changes in Current

Assets-(C)

(56,454,000.00)

Cashflow from Financing Activities:

Net Cashflow from Financing Activities -(D)

0.00

Net Cashflow for the year from all
activities(A+B+C+D)

13,188,875,649.00

Cash and Cash equivalent at Beginning of
the year

_____ -

Cash and Cash Equivalent at the end of the
year

13,188,875,649.00

**BASIC HEALTH CARE PROVISION FUND (BHCPF)
FEDERAL MINISTRY OF HEALTH**

STATEMENT OF ACCOUNTING POLICIES

- **STATEMENT OF COMPLIANCE WITH IPSAS**

The statements and contents of this financial statement are in accordance with the requirement of IPSAS accrual basis.

- **BASIS OF ACCOUNTING**

- **Basis of preparation**

The Financial Statement has been prepared under the Historical cost convention and in accordance with the accrual basis of IPSAS.

- **Recognition of Revenue and Expenditure**

All Grants by the Financier were recognised when received and capitalised as IDA Grant while all expenditures were recognised when they are incurred.

- **Current Assets:**

- **Cash and cash equivalents** are stated as balance at the reporting date; and
 - **Prepayment** are stated as amount paid in advance for the service not rendered.

- All foreign account balances were translated at the exchange rate at the reporting date and also all transactions in foreign currency were translated to naira at the prevailing exchange rate of the period in CBN.

- **Other Receipts**

These are IDA Grants denominated in USD (\$) and NGN (Naira) and are translated into naira at the prevailing exchange rate for the period 2019 Fiscal Year. IAS 20 Accounting for Government Grants and Disclosure of Government Assistance, it outlines how to account for government grants

**BASIC HEALTH CARE PROVISION FUND (BHCPF)
FEDERAL MINISTRY OF HEALTH**

STATEMENT OF ACCOUNTING POLICIES(CON'T)

and other assistance. Government grants are recognised in profit or loss on a systematic basis over the periods in which the entity recognises expenses for the related costs for which the grants are intended to compensate, which in the case of grants related to assets requires setting up the grant as deferred income or deducting it from the carrying amount of the asset. IAS 20.12 recognized grant as income over the period necessary to match them with the related costs, for which they are intended to compensate, on a systematic basis.

**BASIC HEALTH CARE PROVISION FUND(BHCPF)
FEDERAL MINISTRY OF HEALTH**

**NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER, 2019**

	2019
	N
<u>Cash and Cash Equivalents:</u>	
1. CBN-Comingle (Programme)	13,187,078,724.00
Draw Down Account (Dollar Account)	0.00
CBN-Operations (National Steering Committee)	<u>1,796,925.00</u>
	<u>13,188,875,649.00</u>
2. <u>Prepayment:</u>	
Three (3) years rent payment	63,342,000.00
Less: Four Months' Rent paid (Sept-Dec,2019)	<u>(7,038,000.00)</u>
Balance as at 31 st December,2019.	<u>56,304,000.00</u>
3. <u>Receivables:</u>	
Balance as at 1/1/2019	-
Amount Advanced for Training	600,000.00
Less: Amount Utilized	<u>(450,000.00)</u>
Balance as at 31 st December,2019.	<u>150,000.00</u>

**BASIC HEALTH CARE PROVISION FUND(BHCPF)
FEDERAL MINISTRY OF HEALTH**

**NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER, 2019**

4 Surplus from operation:

Balance as at 1/1/2019	-
Surplus for the year	<u>13,245,329,649.00</u>
Balance as at 31/12/2019	<u>13,245,329,649.00</u>

5 Other receipts:

Federal Government of Nigeria	27,550,000,000.00
Melinda and Bill gates foundation	537,000,000.00
World Bank	<u>487,496,750.00</u>
	<u>28,037,496,750.00</u>

6 Operating Expenditures:

Local Travel & Transport-Training	1,628,320.00
Local Training	450,000.00
Office Rent	7,038,000.00
Publicity & Advertisement on States Roll-out	<u>48,168,510.00</u>
	<u>57,284,830.00</u>

**BASIC HEALTH CARE PROVISION FUND(BHCPF)
FEDERAL MINISTRY OF HEALTH**

**NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER, 2019**

		2019
		N
7	<u>Transfers to Gateways:</u>	
	National Health Insurance Scheme (NHIS)-Programme Fund (1st Tranche)	6,543,125,000.00
	National Primary Health Care Development Agency (NPHCDA)-Programme Fund	5,888,812,500.00
	National Centre for Diseases Control (NCDC)-Programme Fund	327,156,250.00
	Federal Ministry of Health (FMoH) and Department of Health Service (DHS)-Programme Fund	327,156,250.00
	National Primary Health Care Development Agency (NPHCDA)-Operations Fund	275,500,000.00
	National Centre for Diseases Control (NCDC)-Operations Fund	34,437,500.00
	Federal Ministry of Health (FMoH) and Department of Health Service (DHS)-Operations Fund	34,437,500.00
	National Health Insurance Scheme (NHIS)-Operations Fund	275,500,000.00
	National Health Insurance Scheme (NHIS)-Programme Fund (2nd Tranche)	<u>1,558,710,526.00</u>
		<u>15,264,835,526.00</u>
8	<u>Finance Cost:</u>	
	Bank Charges	<u>8,745.00</u>